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MEMORANDUM FOR: Chairman of the Board of GEHA

1. This will confirm my recent discussions with the GEHA Board as to what our future policies and procedures shall be with regard to life insurance coverage for Agency employees who may be engaged in particularly hazardous duties.
2. The Board and the Agency recognize that the basic purpose of our insurance program is to meet the Agency's requirements, both for coverage and for security AND RESPONSIVENESS TO EMPLOYEE NEEDS. We both also recognize the responsibility of the GEHA Board to the Agency and its particular needs, as well as its responsibility to individual policyholders.
3. Referring to the GEHA Certificate of Incorporation - the third certification reading as follows:

"Third. The particular business and objects of said corporation shall be an employees' beneficiary association providing for the payment of accident and hospital benefits to members or their dependents."

The Agency interprets and intends that the Board of GEHA shall be

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the sole Agency unit to deal with policy determination in all Agency organized insurance programs of proper interest to the Agency and to its employees, except as dealt with herein.

4. Our primary objective and general policy shall be to provide coverage to all staff employees, staff agents, ^{CERTAIN} contract employees AS APPROVED BY THE BOARD or civilian or military personnel on bona fide

detail to the Agency without regard to the nature of their duties.

Financial advantages to our policyholders such as greater dividends or lower premiums is a good but secondary objective.

5. However, the Agency and the Board recognize that exceptional cases may arise wherein coverage involves a risk so great that our policyholders generally might be required to pay substantially higher premiums for coverage, or our basic contract might be in danger of cancellation, or our program otherwise placed in serious jeopardy. When such a case arises and security permits, the Deputy Director (Support) and the OSHA Board shall consult to consider whether it is appropriate for OSHA to provide the coverage. If there is disagreement,

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BETWEEN THE DD/S AND THE BOARD

the case will be referred to the Director.

If security does not permit, the Deputy Director (Support) will

SO ADVISE THE BOARD AND

undertake to present the facts to the Director.

In either case, the Director's decision shall be final and binding.

L. K. WHITE
Deputy Director
(Support)

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